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SIPDIS

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SUBJECT: ANATOMY OF A CRISIS: EXPULSION PROCEEDINGS VS. CLEMENT
DIVIDE SPD

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¶1. (SBU) Summary: The controversy in the SPD that has dominated Germany's domestic political news since the North Rhine-Westphalia (NRW) party decided on July 30 to expel ex-NRW Minister President and Federal Economics Minister Wolfgang Clement has abated somewhat after he issued something of an apology on August 7, but not enough to end the matter. This affair is both symptomatic of and an aggravating factor in the SPD's current crisis, both in NRW and nationally. At its center remain hot-button issues ranging from energy policy to Agenda 2010 to cooperation with the Left Party. While national SPD leaders engage in a major political damage limitation exercise, Clement appealed the decision to the national level, which will reportedly not hear the case until September, ensuring that debate over party policy and direction will continue. NRW State Chair Hannelore Kraft and National Chair Kurt Beck have been weakened, as both were late to recognize the damage this local/regional affair would have on the party as a whole. End Summary.

Op-Ed Piece Causes Uproar, Triggers Expulsion Request

¶2. (U) The Clement affair began with a January 20 op-ed piece for "Welt am Sonntag," followed by a statement on a TV talk show on January 23, when the former NRW MP and Federal "Superminister" during the Schroeder government criticized Hessian state chair Andrea Ypsilanti for rejecting nuclear as well as coal-fired power plants and urged voters not to support her in the January 27 state elections. This caused an outcry in the NRW SPD and beyond that he had "stabbed the party in the back," along with calls for his expulsion from SPD left wingers who opposed his strong support for the unpopular Agenda 2010. These activists saw this as a chance to rid the party of one of its more outspoken Hartz IV labor market reformers. Clement (68), who over his 25-year political career held many of the most senior posts in NRW and nationally (National SPD spokesman, National SPD Vice Chairman, Chief of the NRW State Chancellery, and NRW Minister President, as well as Federal Economics and Labor Minister), has for years been one of the party's most pro-business leaders. In 2007, two years after leaving the Schroeder government, he joined the supervisory board of Essen-based RWE Power, which operates nuclear and coal-fired power plants throughout Germany.

Affair Simmers, for Months

¶3. (U) As Clement had joined the SPD in the Ruhr city of Bochum almost 40 years ago and is still a card-carrying member in a local SPD chapter (although he has long lived in Bonn), the party there initiated proceedings to expel him, on the grounds that he had damaged party interests and violated inner-party solidarity. Other chapters joined the petition, including the Frankfurt SPD sub-district, where Ypsilanti lives. The affair

simmered for months at the local level, without making national headlines. On April 23, a local arbitration commission rejected the expulsion request and issued a reprimand instead. Both Clement and the petitioners appealed this decision with the SPD state arbitration board in Duesseldorf, which on July 12 heard the case, with Clement and ex-Interior Minister Otto Schily as his legal counsel. Clement then said he would reconcile himself to a reprimand, but when the panel requested assurances that he cease making similar statements as in the Ypsilanti case in the future, he declined.

State and National Party Leadership Taken by Surprise

14. (U) Clement's refusal prompted the NRW SPD Arbitration Commission's July 30 expulsion decision, which came as a complete surprise, both to the NRW and the national SPD leadership, both of which expected the reprimand to stand. Obviously shaken Kraft explained on July 31 that the NRW SPD governing board had intentionally stayed out of the case lest it increase attention to it (although party statutes allow leaders to participate, even if the Arbitration Board is autonomous in its final decision). It took more than 36 hours before national SPD leaders reacted to this explosive development in NRW that shattered hopes of getting through the summer lull without negative headlines. After a vague statement by Secretary General Hubertus Heil, it took SPD national Vice Chair (and likely 2009 SPD Chancellor candidate) Frank-Walter Steinmeier to address the case on August 1 in "Spiegel," calling it "not encouraging, but luckily not the last word in this affair" and defending Clement as an "out-of-the-box thinker" with great merits for the party who should not be forced to leave it.

A Divided Party and a Slow and Weak Reaction by its Chairman

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15. (U) Since then, two major camps have emerged in the SPD, with Steinmeier's support for Clement followed by other party leaders, notably national Vice Chair and Finance Minister Peer Steinbrueck, his predecessor Hans Eichel, former national chair Franz Muentefering and Hans-Jochen Vogel, SPD Bundestag floor leader Peter Struck, numerous SPD Bundestag deputies, and others. Clement's opponents on the party's left wing include lesser known but vocal figures, including Bjoern Boehning, Schleswig-Holstein state chair Ralf Stegner, NRW deputy state chair Jochen Ott, and Bundestag backbenchers deputies Pronold, Tauss and Scheer (also a member of Ypsilanti's shadow cabinet), and the former chairman of the SPD's Basic Values Commission Erhard Eppler. Since then, German media have been filled with debate between these wings at all levels, not only on how to treat Clement, but also on larger issues of party identity and direction.

16. (U) It took Beck until late August 2 to take a public stance, with "Focus" newsweekly reporting that he had even asked colleagues to refrain from comment so as not to aggravate the situation. This strategy quickly failed and his first public statement called for calm, commenting that although no one could claim special rights, Clement's lifetime achievements for the party had to be taken into account. Beck proposed that the party national executive committee join the proceedings against Clement as a third party. Since then, Beck has repeatedly denied that the debate is about policy and strategy, insisting that it is only about how to deal with Clement's breach of party discipline, despite the fact that the conflict has long since expanded to such issues.

17. (U) Beck's proposal was unanimously adopted on August 4, with Secretary General Heil charged with representing the leadership in the proceedings to ensure that the overall interests of the party are properly taken into account. On the same day, several NRW newspapers published a letter to Beck by the five local chapters from Bochum, in which they declared that

they were retracting their request for Clement's expulsion under the proviso that he accept a reprimand for his conduct and declare that he would refrain from similar actions in the future. Clement again rejected this compromise proposal, prompting widespread charges that his stubbornness was damaging the party. The national arbitration board will reportedly meet in September to consider the case and make a final decision. (Note: Theoretically, it has 6 months to do so. End Note.)

Clement Conciliatory

18. (U) After Clement for weeks refused to budge in his opposition to Ypsilanti and the Hessian SPD, he struck conciliatory tones at an August 7 press conference. Regretting "if through the timing of my comments Hessian party colleagues felt left in the lurch," he apologized for "possibly having hurt their feelings." He emphasized that his comments were meant to point out the importance of energy security and denied that he had made an appeal not to vote for the SPD. He said he would accept the national arbitration panel's decision and wanted to remain a member of the SPD. This new flexibility is reportedly due to the influence of Steinbrueck, Clement's personal friend and neighbor in Bonn, who succeeded him as NRW Minister President in 2002. Clement has indirectly confirmed this, saying that persons close to him had advised him to hold the press conference. Beck and other party leaders welcomed Clement's declaration as "a good signal."

Comment

19. (SBU) The Clement affair -- and the slow and indecisive manner in which SPD leaders in Duesseldorf and Berlin have handled it -- is the latest example of the crisis in the SPD (record low voter support projections, declining membership, questions about Beck's leadership and the party's commitment to the Agenda 2010 reforms, unresolved issue of how to deal with the Left Party). The intra-party strife that emerged has only aggravated matters. Clement's conciliatory tone has defused the issue somewhat, but the underlying policy differences are not resolved. Whatever the Arbitration Commission decides, both NRW State Chair Hannelore Kraft and national chairman Kurt Beck have been weakened, as both were late in recognizing the damaging effects this originally local and regional affair would have on the party as a whole. An ARD-TV/Die Welt poll confirmed these observations on August 8, with 76 percent of Germans rejecting the idea of expelling Clement and only 16 percent considering such a step correct, and 47 percent of Germans believing the Clement affair has damaged the SPD's reputation. The SPD therefore enters the last 12 months before the Bundestag elections next fall weakened, although it is early to speculate what effect this will have on the party's election chances.

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10. (U) This message has been coordinated with Embassy Berlin.
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